

LAW OFFICES  
BLOOSTON, MORDKOFKY, JACKSON & DICKENS

2120 L STREET, N.W.  
WASHINGTON, D.C. 20037

(202) 659-0830  
TELECOPIER: (202) 828-5568

ARTHUR BLOOSTON  
HAROLD MORDKOFKY  
ROBERT M. JACKSON  
BENJAMIN H. DICKENS, JR.\*  
JOHN A. PRENDERGAST  
GERARD J. DUFFY  
RICHARD D. RUBINO\*  
BRIAN D. ROBINSON  
SUSAN J. BAHR  
JULIAN P. GEHMAN\*

\*NOT ADMITTED IN D.C.

JEREMIAH COURTNEY  
OF COUNSEL

EUGENE MALISZEWSKY  
DIRECTOR OF ENGINEERING  
PRIVATE RADIO

DARRYL K. DELAWDER  
DIRECTOR OF ENGINEERING  
COMMON CARRIER & BROADCAST

July 27, 1993

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY  
WRITER'S DIRECT DIAL NO.

(202) 828-5534

William F. Caton, Acting Secretary  
Federal Communications Commission  
Washington, DC 20554


Attn: Common Carrier Bureau

Re: Direct Case of Lufkin Conroe Telephone Exchange, Inc.  
CC Docket No. 93-193

Dear Mr. Caton:

On behalf of Lufkin Conroe Telephone Exchange, Inc., we are transmitting an original and seven copies of its Direct Case in the above referenced docket. Should you have any questions concerning this matter, please contact the undersigned.

Sincerely,

  
Benjamin H. Dickens, Jr.  
Gerard J. Duffy  
Brian D. Robinson

BDR/s  
Attachments

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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

RECEIVED

JUL 27 1993

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )  
 )  
1993 Annual Access ) CC Docket No. 93-193  
Tariff Filings, et al. )

Direct Case of the  
LUFKIN-CONROE TELEPHONE EXCHANGE, INC.

Lufkin-Conroe Telephone Exchange, Inc. (LCTX), by its attorneys, hereby files this Direct Case in response to the Federal Communications Commission's (FCC) June 23, 1993 decision regarding, among other things, the allocation of General Support Facility (GSF) costs. See In the Matter of 1993 Annual Access Tariff Filings, et. al., Memorandum Opinion and Order Suspending Rates and Designating Issues for Investigation, CC Docket No. 93-193, DA 93-762, released June 23, 1993 (Suspension Order). In the Suspension Order, the FCC suspended the June 17, 1993 GSF-related tariff filings<sup>1</sup> of all Local Exchange Carriers (LECs) for one day and instituted an accounting order. Suspension Order at p. 37. In addition, the Suspension Order, among other things, designated the following issue for investigation: "Have the LECs properly reallocated GSF costs in accordance with the GSF Order?" Id. at p. 36.

Attachment A hereto, contains Rule Section 61.38 cost support

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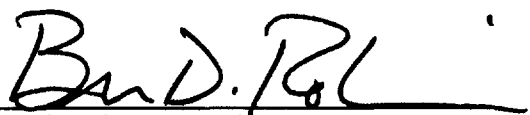
<sup>1</sup>The June 17 tariff filings were made in response to adoption of new rules concerning the allocation of GSF costs. See In the Matter of Amendment of the Part 69 Allocation of General Support Facility Costs. Report and Order. CC Docket No. 92-222. FCC 93-

materials submitted with the June 17 tariff filing. As shown in Attachment A, the rates proposed in LCTX's June 17 filing resulted from the proper allocation of GSF costs to all access service categories. Specifically, the new GSF allocation rules resulted in the allocation of more GSF costs to the carrier common line rate elements, costs that under previous rules were allocated to the traffic sensitive rate element.

Therefore, LCTX respectfully requests that the FCC terminate its investigation with respect to its June 17 tariff filing, and that the FCC find that LCTX's allocation of GSF costs were appropriate and resulted in just and reasonable rates in accordance with the Communications Act and the Commission's Rules.

Respectfully submitted,

**LUFKIN-CONROE TELEPHONE  
EXCHANGE, INC.**

By:   
Benjamin H. Dickens, Jr.  
Gerard J. Duffy  
Brian D. Robinson

Its Attorneys

Blooston, Mordkofsky, Jackson  
& Dickens  
2120 L Street, NW  
Washington, DC 20037  
(202) 659-0830

Date: July 27, 1993

**ATTACHMENT A**



**LUFKIN-CONROE TELEPHONE EXCHANGE, INC.**

Interstate Access Services  
Tariff FCC No. 2

Cost Support  
ANNUAL 1993 ACCESS CHARGE TARIFF FILING

JUNE 17, 1993

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Summary

## OVERVIEW

## OVERVIEW

This cost support binder contains the separations and access allocation studies to support the 1993 test year and 1992 historical year. Since the test year was a split year, the Part 36 separations and Part 69 allocation was run in two parts. The cost was developed based on a financial budget which was based on the Uniform Systems of Accounts Part 32.

Lufkin-Conroe Telephone Exchange, Inc. is a quarterly cost study company and, therefore, the four actual quarters for 1992 were composited and the composite is shown to support the 1992 historical year. The Part 36 and Part 69 forms are complete with the input section and reference is shown in column D as to all calculations made



**TEST PERIOD RATE SUMMARY**

**LUFKIN-CONROE TELEPHONE EXCHANGE, INC.**  
**TRAFFIC SENSITIVE RATE DEVELOPMENT**  
**ACCESS RATE SUMMARY**

<b><u>SWITCHED ACCESS</u></b>	<b><u>PROPOSED RATE</u></b>
<b>LOCAL SWITCHING:</b>	
LS1	\$0.006623
LS2	\$0.006623
NON-PREMIUM	\$0.002980
800 DATA BASE QUERY - BASIC	\$0.009671
800 DATA BASE QUERY - ENHANCED	\$0.009907
<b>LOCAL TRANSPORT:</b>	
LTT PREMIUM	\$0.005158
LTT NON-PREMIUM	\$0.002321
LTF PREMIUM	\$0.000138
LTF NON-PREMIUM	\$0.000062
<b>INFORMATION SURCHARGE:</b>	
PREMIUM (PER 100 MINUTES)	\$0.0540
NON-PREMIUM (PER 100 MINUTES)	\$0.0243
<b>NON-RECURRING:</b>	
SWITCHED ACCESS SERVICE ORDER	\$77.00
SWITCHED ACCESS PROVISIONING	\$191.00
INTERIM NXX TRANSLATIONS	\$255.00
MISCELLANEOUS ORDER	\$36.00
PRESUBSCRIPTION	\$5.00
UNAUTHORIZED PIC CHANGE	\$37.10

**LUFKIN—CONROE TELEPHONE EXCHANGE, INC.**  
**TRAFFIC SENSITIVE RATE DEVELOPMENT**  
**ACCESS RATE SUMMARY**

<b><u>SPECIAL ACCESS CT – RECURRING</u></b>	<b><u>PROPOSED CT RATE</u></b>
VOICE GRADE 2W	\$31.12
VOICE GRADE 4W	\$51.34
AP1 3.5 Khz	\$43.67
AP2 5.0 Khz	\$45.70
AP3 8.0 Khz	\$47.73
DDS DA 1 – 2.4 KBPS	\$59.30
DDS DA 2 – 4.8 KBPS	\$59.30
DDS DA 3 – 9.6 KBPS	\$59.30
DDS DA 4 – 56.0 KBPS	\$61.33
HI—CAP 1.544 MBPS	\$119.77

<b><u>SPECIAL ACCESS CMT – RECURRING</u></b>	<b><u>PROPOSED CMT RATE</u></b>
VOICE GRADE 2W	\$30.29
VOICE GRADE 4W	\$30.29
AP1 3.5 Khz	\$54.96
AP2 5.0 Khz	\$66.00
AP3 8.0 Khz	\$88.69
DDS DA 1 – 2.4 KBPS	\$78.01
DDS DA 2 – 4.8 KBPS	\$78.01
DDS DA 3 – 9.6 KBPS	\$78.01
DDS DA 4 – 56.0 KBPS	\$95.55
HI—CAP 1.544 MBPS	\$207.91

<b><u>SPECIAL ACCESS CMF – RECURRING</u></b>	<b><u>PROPOSED CMF RATE</u></b>
VOICE GRADE 2W	\$4.71
VOICE GRADE 4W	\$4.71
AP1 3.5 Khz	\$4.71
AP2 5.0 Khz	\$9.41
AP3 8.0 Khz	\$14.12
DDS DA 1 – 2.4 KBPS	\$4.71
DDS DA 2 – 4.8 KBPS	\$4.71
DDS DA 3 – 9.6 KBPS	\$4.71
DDS DA 4 – 56.0 KBPS	\$9.41
HI—CAP 1.544 MBPS	\$84.70

**LUFKIN-CONROE TELEPHONE EXCHANGE, INC.**  
**TRAFFIC SENSITIVE RATE DEVELOPMENT**  
**ACCESS RATE SUMMARY**

<b><u>SPECIAL ACCESS - NON-RECURRING</u></b>	<b><u>PROPOSED RATE</u></b>
SPECIAL ACCESS SERVICE ORDER	\$77.00
RESTORATION PRIORITY	\$77.00
MISCELLANEOUS ORDER	\$36.00

<b>SPECIAL ACCESS PROVISIONING :</b>	<b><u>PROPOSED PROVISION RATE</u></b>
VOICE GRADE 2W	\$364.00
VOICE GRADE 4W	\$364.00
AP1 3.5 Khz	\$156.00
AP2 5.0 Khz	\$156.00
AP3 8.0 Khz	\$156.00
DDS DA 1 - 2.4 KBPS	\$303.00
DDS DA 2 - 4.8 KBPS	\$303.00
DDS DA 3 - 9.6 KBPS	\$303.00
DDS DA 4 - 56.0 KBPS	\$303.00
HI-CAP 1.544 MBPS	\$305.00

**LUFKIN-CONROE TELEPHONE EXCHANGE, INC.**  
**TRAFFIC SENSITIVE RATE DEVELOPMENT**  
**ACCESS RATE SUMMARY**

<b><u>OPTIONAL FEATURE AND FUNCTION</u></b>	<b><u>PROPOSED RATE</u></b>
VOICE GRADE 2-W BRIDGING	\$1.07
VOICE GRADE 4-W BRIDGING	\$1.07
DATA 2-W BRIDGING	\$1.07
DATA 4-W BRIDGING	\$1.07
TELEPHOTO 2-W BRIDGING	\$1.07
TELEPHOTO 4-W BRIDGING	\$1.07
TELEPHOTO CAPABILITY	\$24.19
IMPROVED RETURN LOSS EFFECTIVE 2-WIRE	\$8.53
IMPROVED RETURN LOSS EFFECTIVE 4-W	\$8.76
SIGNALING CAPABILITY	\$18.55
HI-CAP MUX DS1 TO VOICE	\$343.66

**LUFKIN-CONROE TELEPHONE EXCHANGE, INC.**  
**TRAFFIC SENSITIVE RATE DEVELOPMENT**  
**ACCESS RATE SUMMARY**

<u>DESCRIPTION</u>	<u>PROPOSED ENGINEER LABOR RATE</u>
BASIC HOURLY LABOR RATE	\$41.88
BASIC HALF HOUR	\$20.94
OVERTIME LABOR RATE PER HALF HOUR	\$31.41
PREMIUM LABOR RATE PER HALF HOUR	\$41.88

	<u>PROPOSED CO MAINT TECH LABOR RATE</u>
BASIC HOURLY LABOR RATE	\$35.60
BASIC HALF HOUR	\$17.80
OVERTIME LABOR RATE PER HALF HOUR	\$26.70
PREMIUM LABOR RATE PER HALF HOUR	\$35.60

	<u>PROPOSED OSP I&amp;R LABOR RATE</u>
BASIC HOURLY LABOR RATE	\$36.49
BASIC HALF HOUR	\$18.25
OVERTIME LABOR RATE PER HALF HOUR	\$27.37
PREMIUM LABOR RATE PER HALF HOUR	\$36.49

	<u>PROPOSED STANDBY LABOR RATE</u>
BASIC HOURLY LABOR RATE	\$36.49
BASIC HALF HOUR	\$18.25
OVERTIME LABOR RATE PER HALF HOUR	\$27.37
PREMIUM LABOR RATE PER HALF HOUR	\$36.49

**TEST PERIOD FINANCIALS**

LUFKIN - CONROE TELEPHONE EXCHANGE, INC.  
PROJECTED PLANT BALANCES

ACCOUNT -----	7/01/93-12/31/93 AVERAGE BUDGET -----	1/01/94-6/30/94 AVERAGE BUDGET -----
2110 LAND AND SUPPORT ASSETS		
2111 LAND	\$2,017,221	\$2,017,221
2112 MOTOR VEHICLES	\$3,193,835	\$3,431,448
2113 AIRCRAFT	\$1,584,241	\$1,584,216
2115 GARAGE WORK EQUIPMENT	\$88,283	\$90,210
2116 OTHER WORK EQUIPMENT	\$1,515,812	\$1,517,292
2121 BUILDINGS	\$13,395,030	\$13,427,921
2122 FURNITURE	\$1,418,841	\$1,420,515
2123 OFFICE EQUIPMENT	\$1,551,277	\$1,555,800



LUFKIN - CONROE TELEPHONE EXCHANGE, INC.  
PROJECTED PLANT BALANCES

ACCOUNT -----	7/01/93-12/31/93 AVERAGE BUDGET	1/01/94-6/30/94 AVERAGE BUDGET -----
2410 CABLE AND WIRE FACILITIES		
2411 POLES	\$2,241,415	\$2,217,102
2421 AERIAL CABLE	\$13,728,681	\$13,681,482
2422 UNDERGROUND CABLE	\$5,599,175	\$5,607,699
2423 BURIED CABLE	\$48,983,023	\$50,027,556
2426 INTRABUILDING NETWORK CABLE	\$631,251	\$630,040
2441 CONDUIT SYSTEMS	\$6,316,928	\$6,365,415
	-----	-----
TOTAL CABLE AND WIRE FACILITIES	\$77,500,472	\$78,529,295
	=====	=====
2680 AMORTIZABLE TANGIBLE ASSETS		
2682 LEASEHOLD IMPROVEMENTS - HANGAR	\$41,547	\$41,547
	-----	-----
TOTAL AMORTIZABLE TANGIBLE ASSETS	\$41,547	\$41,547
	=====	=====
2003 TELECOMMUNICATIONS PLANT UNDER CONSTRUCTION - SHORT TERM	\$0	\$0
	=====	=====
1220 MATERIAL AND SUPPLIES	\$1,116,007	\$1,116,007
	=====	=====
2002 TELECOMMUNICATIONS PLANT HELD FOR FUTURE USE	\$321,373	\$321,373
	=====	=====
 TOTAL PLANT	 \$161,349,860	 \$164,649,891
	=====	=====

**LUFKIN - CONROE TELEPHONE EXCHANGE, INC.  
PROJECTED PLANT BALANCES**

ACCOUNT -----	7/01/93-12/31/93 AVERAGE BUDGET	1/01/94-6/30/94 AVERAGE BUDGET -----
<b>3100 ACCUMULATED DEPRECIATION - TELECOMMUNICATIONS PLANT IN SERVICE</b>		
SUPPORT ASSETS	\$14,095,075	\$15,239,986
CENTRAL OFFICE EQUIPMENT - SWITCHING	\$15,536,530	\$16,515,329
CENTRAL OFFICE EQUIPMENT - OPERATOR	\$153,924	\$167,896
CENTRAL OFFICE EQUIPMENT - TRANSMISSION	\$5,683,536	\$5,970,110
INFORMATION ORIGINATION/ TERMINATION EQUIPMENT	\$599,218	\$605,205
CABLE AND WIRE FACILITIES	\$22,310,824	\$23,321,780
	-----	-----
TOTAL	\$58,379,107	\$61,820,305
	=====	=====
 <b>3420 ACCUMULATED AMORTIZATION - LEASEHOLD IMPROVEMENTS</b>		
	\$17,481	\$20,558
	=====	=====
 <b>4340 NET NONCURRENT DEFERRED OPERATING INCOME TAXES</b>		
	\$13,068,631	\$13,070,641
	=====	=====
 <b>TOTAL RESERVES</b>	\$71,465,218	\$74,911,504
	=====	=====

**LUFKIN-CONROE TELEPHONE EXCHANGE, INC.  
PROJECTED EXPENSES**

ACCOUNT -----	7/01/93-12/31/93 BUDGET	1/01/94-6/30/94 BUDGET
<b>6110 NETWORK SUPPORT EXPENSE</b>		
6112 MOTOR VEHICLE EXPENSE	\$16,741	\$17,220
6113 AIRCRAFT EXPENSE	\$169,650	\$177,153
6114 SPECIAL PURPOSE VEHICLES EXPENSE	\$0	\$0
6115 GARAGE WORK EQUIPMENT EXPENSE	\$6,830	\$7,163
6116 OTHER WORK EQUIPMENT EXPENSE	\$0	\$0
	-----	-----
TOTAL NETWORK SUPPORT EXPENSE	\$193,221	\$201,536
	=====	=====
<b>6120 GENERAL SUPPORT EXPENSE</b>		
6121 LAND AND BUILDING EXPENSE	\$512,973	\$541,122
6122 FURNITURE AND ARTWORKS EXPENSE	\$12,409	\$14,702
6123 OFFICE EQUIPMENT EXPENSE	\$45,981	\$55,147
6124 GENERAL PURPOSE COMPUTER EXPENSE	\$519,137	\$617,631
	-----	-----
TOTAL GENERAL SUPPORT EXPENSE	\$1,090,499	\$1,228,603
	=====	=====
<b>6210 CENTRAL OFFICE EQUIPMENT -     SWITCHING EXPENSE</b>		
6211 ANALOG ELECTRONIC EXPENSE	\$0	\$0
6212 DIGITAL ELECTRONIC EXPENSE	\$627,148	\$616,977
6215 ELECTRO-MECHANICAL EXPENSE	\$0	\$0
	-----	-----
TOTAL CENTRAL OFFICE EQUIPMENT SWITCHING EXPENSE	\$627,148	\$616,977
	=====	=====
<b>6220 OPERATOR SYSTEMS EXPENSE</b>	\$1,000	\$1,000
	=====	=====
<b>6230 CENTRAL OFFICE EQUIPMENT -     TRANSMISSION EXPENSE</b>		
6231 RADIO SYSTEMS EXPENSE	\$24,681	\$24,768
6232 CIRCUIT EQUIPMENT EXPENSE	\$264,917	\$277,778
	-----	-----
TOTAL CENTRAL OFFICE EQUIPMENT - TRANSMISSION EXPENSE	\$289,598	\$302,546
	=====	=====

LUFKIN-CONROE TELEPHONE EXCHANGE, INC.  
PROJECTED EXPENSES

ACCOUNT	7/01/93-12/31/93 BUDGET	1/01/94-6/30/94 BUDGET
<hr/>		
6310 INFORMATION/ORIGINATION TERMINATION EQUIPMENT EXPENSE		
6311 STATION APPARATUS EXPENSE	\$0	\$0
6341 LARGE PBX EXPENSE	\$0	\$0
6351 PUBLIC TELEPHONE TERMINAL EQUIPMENT EXPENSE	\$43,838	\$45,919
6361 OTHER TERMINAL EQUIPMENT EXPENSE	\$0	\$0
<hr/>		
TOTAL INFORMATION/ORIGINATION TERMINATION EQUIPMENT EXPENSE	\$43,838	\$45,919
<hr/>		
6410 CABLE AND WIRE FACILITIES EXPENSE		
6411 POLES EXPENSE	\$158,055	\$165,476
6421 AERIAL CABLE EXPENSE	\$579,416	\$608,740
6422 UNDERGROUND CABLE EXPENSE	\$31,367	\$33,009
6423 BURIED CABLE EXPENSE	\$1,463,164	\$1,536,504
6424 SUBMARINE CABLE EXPENSE	\$0	\$0
6425 DEEP SEA CABLE EXPENSE	\$0	\$0
6426 INTRABUILDING NETWORK CABLE EXPENSE	\$0	\$0
6431 AERIAL WIRE EXPENSE	\$0	\$0
6441 CONDUIT SYSTEMS EXPENSE	\$3,106	\$3,570
<hr/>		
TOTAL CABLE AND WIRE FACILITIES EXPENSE	\$2,235,108	\$2,347,299
<hr/>		
6510 OTHER PROPERTY, PLANT AND EQUIPMENT EXPENSE		
6511 PROPERTY HELD FOR FUTURE TELECOMMUNICATIONS USE EXPENSE	\$0	\$0
6512 PROVISIONING EXPENSE	\$0	\$0
<hr/>		
TOTAL OTHER PROPERTY, PLANT AND EQUIPMENT EXPENSE	\$0	\$0
<hr/>		

**LUFKIN-CONROE TELEPHONE EXCHANGE, INC.  
PROJECTED EXPENSES**

ACCOUNT -----	7/01/93-12/31/93 BUDGET	1/01/94-6/30/94 BUDGET
<b>6530 NETWORK OPERATIONS EXPENSE</b>		
6531 POWER EXPENSE	\$183,470	\$195,485
6532 NETWORK ADMINISTRATION EXPENSE	\$169,093	\$174,540
6533 TESTING EXPENSE	\$499,560	\$442,227
6534 PLANT OPERATIONS ADMINISTRATION EXPENSE	\$633,656	\$591,037
6535 ENGINEERING EXPENSE	\$1,698,335	\$1,350,808
	-----	-----
TOTAL NETWORK OPERATIONS EXPENSE	\$3,184,114	\$2,754,096
	=====	=====
<b>6610 MARKETING EXPENSE</b>		
6611 PRODUCT MANAGEMENT	\$42,094	\$43,612
6612 SALES	\$66,220	\$69,032
6613 PRODUCT ADVERTISING	\$59,461	\$76,665
	-----	-----
TOTAL MARKETING EXPENSE	\$167,775	\$189,309
	=====	=====
<b>6620 SERVICE EXPENSE</b>		
6621 CALL COMPLETION SERVICES	\$330,072	\$372,075
6622 NUMBER SERVICES	\$1,235,685	\$1,328,884
6623 CUSTOMER SERVICES	\$1,477,294	\$1,538,160
	-----	-----
TOTAL SERVICE EXPENSE	\$3,043,051	\$3,239,119
	=====	=====
<b>6710 EXECUTIVE AND PLANNING EXPENSE</b>		
6711 EXECUTIVE EXPENSE	\$628,381	\$680,001
6712 PLANNING EXPENSE	\$66,320	\$71,476
	-----	-----
TOTAL EXECUTIVE AND PLANNING EXPENSE	\$694,701	\$751,477
	=====	=====
<b>6720 GENERAL AND ADMINISTRATIVE EXPENSE</b>		
6721 ACCOUNTING AND FINANCE	\$483,323	\$526,136
6722 EXTERNAL RELATIONS	\$277,911	\$317,568
6723 HUMAN RESOURCES	\$298,646	\$289,078
6724 INFORMATION MANAGEMENT	\$471,883	\$460,016
6725 LEGAL	\$101,144	\$106,797

**LUFKIN-CONROE TELEPHONE EXCHANGE, INC.  
PROJECTED EXPENSES**

ACCOUNT	7/01/93-12/31/93 BUDGET	1/01/94-6/30/94 BUDGET
6726 PROCUREMENT	\$89,993	\$95,084
6727 RESEARCH AND DEVELOPMENT	\$0	\$0
6728 OTHER GENERAL AND ADMINISTRATIVE EXPENSE	\$305,148	\$311,066
TOTAL OTHER GENERAL AND ADMINISTRATIVE EXPENSE	\$2,028,048	\$2,105,743
EQUAL ACCESS EXPENSE	\$0	\$0
TOTAL OPERATING EXPENSES	\$13,598,101	\$13,783,624
6560 DEPRECIATION AND AMORTIZATION EXPENSES		
6561 DEPRECIATION EXPENSE - TELECOMMUNICATIONS PLANT IN SERVICE		
SUPPORT ASSETS	\$1,146,179	\$1,194,990
CENTRAL OFFICE EQUIPMENT - SWITCHING	\$1,167,976	\$1,223,168
CENTRAL OFFICE EQUIPMENT - OPERATOR	\$13,972	\$13,972
CENTRAL OFFICE EQUIPMENT - TRANSMISSION	\$471,688	\$479,332
INFORMATION ORIGATION/ TERMINATION EQUIPMENT	\$6,310	\$7,251
CABLE AND WIRE FACILITIES	\$1,813,836	\$1,837,687
6562 DEPRECIATION EXPENSE - PROPERTY HELD FOR FUTURE TELECOMMUNICATIONS USE	\$0	\$0
6563 AMORTIZATION EXPENSE - TANGIBLE	\$3,078	\$3,078
6565 AMORTIZATION EXPENSE - OTHER	\$7,216	\$7,216
TOTAL DEPRECIATION AND AMORTIZATION EXPENSE	\$4,630,254	\$4,766,692

**LUFKIN-CONROE TELEPHONE EXCHANGE, INC.  
PROJECTED EXPENSES**

ACCOUNT -----	7/01/93-12/31/93 BUDGET	1/01/94-6/30/94 BUDGET
	-----	-----
<b>7200 OPERATING TAXES</b>		
7210 OPERATING INVESTMENT TAX CREDITS - NET	(\$191,884)	(\$188,894)
7220 OPERATING FEDERAL INCOME TAXES	\$1,544,474	\$1,681,017
7230 OPERATING STATE AND LOCAL INCOME TAXES	\$0	\$0
7240 OPERATING OTHER TAXES	\$1,233,977	\$1,290,000
7250 PROVISION FOR DEFERRED OPERATING INCOME TAXES - NET	\$110,664	(\$114,218)
	-----	-----
TOTAL OPERATING TAXES	\$2,697,232	\$2,667,904
	=====	=====
 <b>7300 NONOPERATING INCOME AND EXPENSE</b>		
7370 SPECIAL CHARGES	\$37,015	\$30,277
	-----	-----
TOTAL NONOPERATING INCOME AND EXPENSE	\$37,015	\$30,277
	=====	=====
 <b>7500 INTEREST AND RELATED ITEMS</b>		
7510 INTEREST ON FUNDED DEBT	\$914,453	\$914,564
7540 OTHER INTEREST DEDUCTIONS	\$162,749	\$163,738
	-----	-----
TOTAL INTEREST AND RELATED ITEMS	\$1,077,201	\$1,078,302
	=====	=====
 <b>5240 RENT REVENUE</b>	(\$24,577)	(\$39,129)
	=====	=====
 <b>5250 CORPORATE OPERATIONS REVENUE</b>	\$0	\$0
	=====	=====
 <b>5260 MISCELLANEOUS REVENUE</b>	(\$197,390)	(\$197,438)
	=====	=====
 <b>5300 UNCOLLECTIBLE REVENUE</b>	\$158,130	\$166,037
	=====	=====
  <b>TOTAL OPERATING EXPENSES AND TAXES</b>	  \$21,975,967	  \$22,256,269
	=====	=====

	7/01/93-12/31/93 BUDGET	1/01/94-6/30/94 BUDGET
6621 CALL COMPLETION EXP-JT USE	\$72.00	\$75.00
6621.11 CALL COMPLETION EXP-LATA TOLL	\$289,800.00	\$329,700.00
6621.12 CALL COMPLETION EXP-LOCAL	\$40,200.00	\$42,300.00
TOTAL CALL COMPLETION EXP	\$330,072.00	\$372,075.00
6622 NUMBER SERV-DIR ASST(IN-HOUSE)	\$183,539.50	\$199,635.74
6622.1 NUMBER SERV-(SWB)-LOCAL	\$750.11	\$839.93
6622.2 DIRECTORY EXP-(IN-HOUSE)	\$59,912.41	\$62,985.26
6622.3 DIRECTORY EXP-GENERAL TELEPH	\$970,329.38	\$1,042,025.05
6622.4 DIRECTORY EXP-FOREIGN	\$21,153.16	\$23,397.96
TOTAL NUMBER SERV/DIR EXP	\$1,235,684.56	\$1,328,883.94
6623 LOC BUS OFC-SERV ORD/INQUIRY	\$676,629.62	\$719,434.67
6623.1 LOC BUS OFC-CASHIERS	\$236,928.83	\$242,799.47
6623.2 LOC BUS OFC-BILL & COLLECTING	\$363,990.96	\$370,955.01
6623.3 REVENUE ACCOUNTING-CABS	\$76,388.79	\$78,115.95
6623.4 TOLL TICKET PROCESS	\$95,130.34	\$97,612.59



**TEST PERIOD JURISDICTIONAL SEPARATIONS**